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No. 82-558

In the

Supreme Court of the United States

OCTOBER TERM, 1982

LUCERNE PRODUCTS, INC.,

Petitioner,

vs.

SKIL CORPORATION,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit.

BRIEF OF RESPONDENT IN OPPOSITION

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CITATIONS IN THIS BRIEF

The citations in this brief are either to the text of the Petition for Certiorari or to the separate Appendix filed with the Petition.

Since the pages of the Petition and the Appendix are distinctively numbered, citations herein specify only the page number to which the Court's attention is invited. Thus, a citation "(p. 3)" refers the Court to the Petition, and a citation such as "(A25)" is a reference to the Appendix. References to specific fact findings by the Magistrate are in the form "(F.F. No. 5, A9)".

RULE 28.1 STATEMENT

Respondent, Skil Corporation, is a wholly owned subsidiary of Emerson Electric Co., a Missouri Corporation.

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BRIEF OF RESPONDENT IN OPPOSITION

There is no reason at all why the writ prayed for in this case should be granted.

This is a patent royalty suit in which the Court of Appeals, on the record before it and after careful review of the proceedings below, unanimously held the Gawron patent in suit valid. No conflict exists among the decisions of the federal courts on any question involved in this case. Nor does the record present a question of federal law, to say nothing of an important question, which has not been, but should be, settled by this Court.

The first question set forth in the Petition for Certiorari is not presented in the terms or circumstances of the case and does not fairly state questions raised by the record or by the decision of the Sixth Circuit. The second question presented, to the extent it is intelligible, is likewise not expressed in the terms or circumstances of the case and does not fairly state an issue raised by the decision of the Court of Appeals—the decision of the Sixth Circuit is most assuredly not in contravention of the Constitution.* The third and final question in the Petition must be answered in the affirmative as the decision by the Court of Appeals is manifestly not in conflict with the decision by this Court in *Precision Co.* v. *Automotive Co.*, 324 U.S. 806 (1945).

This brief of respondent will begin with a counter-statement of the facts since petitioner has not stated the case either fully or fairly.

COUNTER-STATEMENT OF THE CASE

As the Court of Appeals noted:

> "An initial difficulty with Lucerne's position is its claim that this appeal presents only questions of law and involves no issues of disputed fact" (A6).

Since petitioner has accepted each and every of the ninety-seven detailed findings of fact made by the Mag-

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* The second question in the Petition is framed in terms purportedly constituting an unlawful taking of property in violation of Article V of the Constitution. Of course, the petitioner intended to refer to the Fifth Amendment which provides, *inter alia*, that no person shall be deprived of property without due process of law.

istrate and adopted by the District Court (A12-A57), it is appropriate indeed to use these findings in setting forth the facts relevant to the Petition.

We must first determine just what is the subject matter of the claims of the Gawron patent. Contrary to the assertions of petitioner, the claims of the patent in suit are not directed to some specific features of a Lucerne switch. Rather, each of the four claims of the Gawron patent sets forth a "combination of elements which includes: (1) an appropriate electric motor, (2) a silicon controlled rectifier (SCR) speed control circuit, (3) a trigger, and (4) human feedback" (F.F. No. 5, A13).

The application for the Gawron patent was filed on September 28, 1962 (A101). The petitioner contended in the proceedings below that the Gawron patent is invalid because of prior invention by its own personnel, viz., Messrs. Matthews and Rhine. In rejecting the defense of prior invention, the Magistrate found that:

> "There is no clear and convincing evidence that the Lucerne speed control device was tested prior to September 28, 1962, in such a way as to demonstrate its practical utility for its intended purpose" (F.F. No. 21, A24).

On the basis of various fact findings, including the one just quoted, the Magistrate correctly concluded that "[d]efendants have failed to show that the activities of Mr. Rhine and Mr. Matthews in developing the Lucerne speed control device constituted prior invention pursuant to § 102(g)" (A63).

Thus, the Lucerne speed control is simply not prior art. Moreover, although the record does establish that "[t]he retrofit package of the Lucerne device was an attractive feature which Skil did not have" (F.F. No. 29, A26, A27), this fact is immaterial because it was also found by the Magistrate that:

> "The Gawron invention does not include instructions or specifications as to how a physical assembly of the SCR speed control can be constructed . . . .Rather, the invention sets forth a combination of elements necessary to accomplish speed control and the location or packaging of the SCR circuitry is not an element of that combination" (F.F. No. 32(c), A29).

As concerns the demonstration before the patent examiner of a Skil drill which included a Lucerne speed control device, the unchallenged fact finding by the Magistrate is that "[t]here is no evidence showing that . . . Skil pointed out to the examiner the retrofit feature of the Lucerne device of otherwise contended that the invention included the retrofit feature as an element" (F.F. No. 39(a), A31).

On the basis of the several findings of fact, now undisputed by Lucerne, the Magistrate rightly concluded:

> "It necessarily follows that Skil's use of a Lucerne device to demonstrate the Gawron invention to the patent examiner in March of 1965 was not fraudulent . . . . The attraction of the Lucerne device was its retrofit configuration, *but this was not an element of the Gawron patent.* Even assuming Skil did not inform the Patent Office that it was utilizing the Lucerne retrofit speed control device in its demonstration, there is also no evidence that Skil claimed the retrofit feature as a part of the Gawron invention. Under these circumstances the manufacturing source

> of the Gawron invention was not material to the Patent Office.
>
> "The amendment which Skil filed in March of 1964 placed the SCR speed control circuit in the tool handle. This concept was not pirated from the Lucerne device, rather it came from language in the original Gawron specification, drawing and claims. Moreover, location was not an element of the patent" (Emphasis applied; A68).

The District Court, in adopting the Magistrate's report in toto after noting that it was "well-reasoned, concise and clear" (A85), wrote its own decision and dealt squarely with petitioner's assertions of fraud on the Patent Office. In this regard, Judge Lambros of the Northern District of Ohio stated:

> "Given the Magistrate's determination that the Lucerne device was covered by the Gawron patent application terms and that the device was ordered by Skil and produced by Lucerne with Skil's advice and assistance, this Court fails to see how the Patent Office could have been mislead as to the claims of the Gawron Patent by failure of Skil to reveal who had produced the demonstration device" (A91).

The Sixth Circuit also dealt squarely with the petitioner's contentions regarding fraud on the Patent Office. The Court of Appeals rightfully concluded:

> "Since Lucerne does not challenge the district court's finding that its device was not prior art, its insistence that Skil was duty bound to bring the device to the attention of the Patent Office is inexplicable. Obviously, the existence of a similar device invented at a later date would not have caused the Patent Office to reject Skil's patent application, and therefore was not material.

> "Since the existence of the Lucerne speed control device was not material to the patentability of the Gawron invention, it follows that . . . the use of the Lucerne speed control device to demonstrate the Gawron invention was immaterial. Similarly, the fact that the Gawron prototype did not have a retrofit feature is utterly immaterial" (A7).

In short, the petitioner's Statement of Case is faulty indeed in that it refuses to deal with undisputed facts which are fatal to the allegations of fraud, viz., that the Gawron claims do not specify details of the Lucerne retrofit switch device and that the activities of Lucerne were later in time and thus the Lucerne switch is not even prior art.*

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* Petitioner's brief is faulty in other respects. For example, our opponent quotes at some length from an amendment Skil filed in the Patent Office (pp. 5, 6), from the findings of fact (p. 7) and from the *Precision* case (p. 11); in doing so, petitioner emphasizes many words by italics or capital letters without informing the Court that the emphasis is not in the original text, but is its own handiwork.

ARGUMENT

The facts of this case, as just recounted from the undisputed findings of fact, show that not a single one of petitioner's reasons for granting the writ has any merit whatsoever.

Thus, petitioner's first reason based on the contention that the decision below somehow presents a question under Article 1, Section 8, of the Constitution is entitled only to summary rejection. This argument (pp. 8, 9) is grounded on the notion that Gawron did not invent the claimed subject matter and that the patent was thus granted in contravention of 35 U.S.C. § 102(f). Of course, this argument is doomed in view of the unchallenged fact finding that the Gawron patent does not claim the retrofit feature of the later-developed Lucerne switch.* The record establishes beyond doubt that Gawron is the inventor of the four-part combination claimed in the patent. Manifestly, the decision by the Court of Appeals is not in conflict with either the Patent Laws or the Constitution.

Cut from no better cloth is petitioner's second reason that the decision of the Sixth Circuit results in a taking of property without due process of law in violation of the Fifth Amendment. Although the Petition is devoid of a discussion in support of the due process argument (p. 11), it appears this second reason for granting the

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* The case of *Pennington* v. *National Supply Co.*, 95 F.2d 291 (5th Cir. 1938), relied on by petitioner (p. 10) is wide of the mark as there it was found that the patent actually claimed the prior work of another.

writ is simply a rehash of the first reason. Hence, petitioner's Fifth Amendment argument must be rejected because respondent did not patent the retrofit switch and thus no property was taken from Lucerne.

As a third and final reason for granting the writ, petitioner asserts that the decision by the Court of Appeals is in conflict with the decision by this Court in *Precision Co.* v. *Automotive Co., supra.* Specifically, petitioner contends that respondent should have called the attention of the Patent Office to the work of Matthews and Rhine even though respondent believed in good faith that petitioner's employees were not prior inventors.

In rejecting the argument of petitioner now under consideration, the Sixth Circuit carefully reviewed the authorities dealing with Patent Office fraud, including the decision by this Court in the *Precision* case. The Court of Appeals pointed out that in *Precision* "the nondisclosure condemned by the Supreme Court was highly material" (A8). By way of contrast, the Sixth Circuit observed with respect to the case at bar that "the existence of a similar [Lucerne] device invented at a later date would not have caused the Patent Office to reject Skil's patent application, and therefore was not material" (A7).

This third reason is an example of petitioner's "incoherent analysis and argument" (A86) noted by the District Court and should be rejected out of hand.

CONCLUSION

This patent contract case was decided correctly, with no novel or disputed point of law involved. Nothing about it warrants review by this Court; hence, the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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